DESEGREGATION FUND HAS LARGE SURPLUS

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WASHINGTON, July 26 — The Nixon Administration says it was unable to spend $33-million appropriated by Congress in the fiscal year 1973 to help local school systems desegregate.

"We were doing our best to give it away and failed," said Richard R. Elwell, a spokesman for the Department of Health, Education and Welfare's Office of Education.

The failure, which saw the $33-million of the $228-million Congressional appropriation revert to the Treasury, was caused largely for two reasons, according to Mr. Elwell.

The first reason was that the Emergency School Aid Act, sponsored by the Administration, was not passed until October 1972, well into the 1973 fiscal year, he said. Secondly, the Office of Education was inexperienced in administering a nationwide desegregation program that had previously been operated largely only in the south.

Of the $195-million finally awarded to states, territories and nonprofit organizations New York State received the largest total, $22.7-million.